


CITY COUNCIL ACTION REQUEST

Department(s): Finance	CEQA: Not a Project, File No. PP17-008, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment	Coordination: Department of Public Works, City Attorney and City Manager’s Budget Office	Dept. Approval: /s/ Julia H. Cooper
Council District(s): Citywide			CMO Approval:  6/3/2021

SUBJECT: AMEND PURCHASE ORDER OP 59514 FOR LAGOON DREDGE RENTAL SERVICES

RECOMMENDATION:

Adopt a resolution authorizing the City Manager:

1. Amend open purchase order OP 59514 with Dredge America, Inc. (Kansas City, MO) for lagoon dredge rental services to increase compensation by \$200,000, for a revised maximum compensation not-to-exceed \$520,000, and retroactively continue and extend the current purchase order term from September 18, 2020 through July 31, 2021.
2. Execute up to two (2) additional one-year options to extend the term of the purchase order with the last option year ending on or about July 31, 2023, subject to the annual appropriation of funds.

Desired Outcome: To ensure that the Regional Wastewater Facility (RWF) can dredge biosolids in the lagoons and properly dispose of the waste in compliance with applicable laws and regulations.

BASIS FOR RECOMMENDATION:

The Fleet Management Division of the Department of Public Works oversees citywide equipment rentals, including the rental of dredgers at the RWF. Dredgers are required to dredge the bio-solids from the retention ponds; then, the sediment is moved to the drying beds and later disposed of. The City-owned dredge units are nearing end of life and cannot be relied on due to scarcity of parts and increased mechanical failures that cause extensive downtime. Additional rental units are required as backups to ensure the dredging of four (4) retention ponds are completed before the end of the current drying season in July 2021.

In February 2020, the City went out to bid for dredger rental services. One bid was received, but the City was unable to successfully negotiate an agreement with the bidder. After extensive research, the City found only one other company, not affiliated with the original bidder, that could rent dredgers to the City. A purchase order was issued to Dredge America under the City Manager’s contract authority, in accordance with the San José Municipal Code, Section 4.12.235 for unique service. The current term of the purchase order is from September 18, 2020 through June 1, 2021. This recommendation seeks to add additional funds and retroactively extend the term through July 31, 2021, as well as add two option years if required. The current dredge season has been extended and will continue through June 2021 and into July 2021. The extended season is due to one additional lagoon being dredged this year (four total) as well as the current City owned dredges being unreliable due to age and consistent maintenance work, causing longer unanticipated downtimes.

Climate Smart San José: No proposed changes to service delivery, programs or staffing that has significant community/resource impacts, including any negative impact on Climate Smart San José energy, water, or mobility goals.

Commission Recommendation/Input: Input from a Board or Commission: The Treatment Plant Advisory Committee is scheduled to consider this item on June 10, 2021.

This Council item is consistent with the City's 2020-2021 Adopted Operating Budget City Areas Delivery Framework: Provide environmental leadership through policy development, program design, and reliable utility services.

COST AND FUNDING SOURCE:

Fund #	Appn. #	Appn. Name	Total Appn.	Amt. for Recommendation	2020-2021 Adopted Operating Budget Page	Last Budget Action (Date, Ord. No)
513	0762	NP/EQUIP-ENVIRONMENTAL SVCS	\$35,152,940	\$520,000	X - 91	10/20/2020, 30494

FOR QUESTIONS CONTACT: Jennifer Cheng, Deputy Director of Finance at Jennifer.Cheng@sanjoseca.gov.